



## Does Philanthropy Do the Public Good?

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15<sup>th</sup> March 2022

### Who is a Philanthropist?

If I invite you to name a philanthropist, who comes to mind? Take a moment. Perhaps you thought of Bill Gates, McKenize Scott, or the Prince of Wales. Maybe you thought of a historical figure: reformers like John Howard, William Wilberforce, or Angela Burdett-Coutts; or Gilded Age industrialists like Scotsman Andrew Carnegie or American John D. Rockefeller. Perhaps your mind turned toward more recent events and the darker side of philanthropy: disgraced philanthropists like the Sackler family who made their fortune from addictive opioids, Russian oligarchs seeking to curry favor in the West, or recent efforts to remove names of past philanthropists from public spaces upon coming terms with how fortunes were amassed through the means of colonialism or slavery.

Or maybe you envisioned a different kind of philanthropist. Manchester United footballer Marcus Rashford donating funds while fundraising and advocating for child hunger here in the UK in the midst of Covid. Maybe it is young Swedish climate activist Greta Thunberg or Pakistani advocate for girls' education and Nobel prize winner, Malala Yousafzai. Maybe you're thinking of someone a bit closer to home: a friend, family member, or a neighbor. Who do you see as a philanthropist? What counts as philanthropy?

### What is Philanthropy?

If I've asked you who comes to mind when thinking of a philanthropist, now let me ask you to consider what comes to mind in describing philanthropy. Perhaps you are imagining a grant given to a local charity by a foundation or trust, a corporation's social responsibility budget, or an individual donor's major gift. Others would even include the change dropped into a Salvation Army red kettle or a Jewish child's *tzedakah* box. Still, others might think about the online crowdfunding for a local grassroots advocacy organization or the public-private partnership of a billionaire seeking to mass produce a Covid-19 vaccine. Whether described as philanthropy or charity, giving or volunteering, or even generosity and prosocial behavior, these collective practices have long played a key role in our communities on local, national, and global scales.

But let's be honest, if we ever stop to consider philanthropy, most often in our imaginations, our shorthand is something like big money given to a good cause. Yet I think that popular conception alone does not do justice to the complexities of philanthropy. It allows us too easily to fall into the trap of either romanticizing or criticizing – either philanthropy has too often been left unexamined as an *unquestioned good* where individuals freely give of their time or money or an *unwelcomed result* of political and economic systems that empower a few individuals with undue wealth and influence to shape public policy and our collective life together.

This limited conception also masks the bigger picture of philanthropy – that I take to include not only gifts of treasure, but also of time, talent, and testimony. We might consider the impact of volunteering, or offering one's expertise and passions to others, as well as raising one's voice and advocating for another. What if money, while primary, may be only one facet through which we view a multi-faceted concept like philanthropy? And like a prism, perhaps it is through the combination of these many facets taken together that we can see something new, shedding new light, even offering us a new field of vision worth exploring.

In this lecture, we will take brief looks at the who, what, and how of philanthropy. But today, I'll focus the bulk of my attention on the why. And while there is a large literature on attending to why donors give (particularly thinking about their motivations for instance), we will focus not so much on the individual, but more on the broader nature of philanthropy and the role it plays in our public life together.

So, with that in mind, how should we define philanthropy. There are many definitions from which to choose: from the broadest, original Greek, "love of humanity" to the sector specific, monetary gifts to a registered charity or nonprofit organization. But I've always liked something more in between. As scholars Payton and Moody have offered, philanthropy is "voluntary action for the public good."<sup>1</sup> It's short, simple, and like most definitions, it may not be comprehensive but it offers us a good starting point to explore what we are here to talk about together. Yet with a broad definition to start, it still provides no simple answer to the question, "Does philanthropy do the public good?"

And while answering the question is not easy, it doesn't mean people aren't trying. With the increasing professionalization of philanthropy, public policy, and the nonprofit sector, scholars have tended to assess tax codes, funding mechanisms, and evaluation metrics. In measuring the impact of philanthropy on the public good, the question has most often centered on effectiveness. Yet, perhaps there is a prior question: *effective at what?* In order to address when philanthropy does the public good, we must first reflect on the moral nature of philanthropy and the multiple visions of the public good.

One common approach when defining philanthropy and debating its purpose has been categorizing the work within its own distinct sector. In contrast to the public sector - government, the state; or the private sector - business, the market; many point to a third sector (philanthropy, charities, voluntary organizations, and civil society). So, another predominant definition of philanthropy is "private action for public benefit." This definition helps us to focus on the role of private giving and charitable activity in contrast to the sectors of government and business. So, for instance, while the state and philanthropy may share the goal of working for public benefit, they are distinct in the fact that philanthropy is a private action done by an individual or corporation (as opposed to public action of the state). Additionally, philanthropy is voluntary (as opposed to the coercive power of the state to make you pay your taxes for instance).

In contrast, the market, like philanthropy, is made up of private actors but its ends are not necessarily for the public benefit (rather success is measured by shareholder value or quarterly profits). So, perhaps these sector distinctions (state, market, and a catch-all "third sector") tell us something about the nature of philanthropy, (private action for public benefit), but I think what we will find is these sector lines have always been blurry. And that is definitely the case today with the state relying on and contracting with the third sector for many social services, companies measuring social impact through triple bottom lines, and philanthropy not only making grants but engaging in public-private partnerships or focusing on impact investments.

But focusing on philanthropy as a distinct sector is not the only way for us to make sense of the concept. We might also think of philanthropy more as a set of practices or as a complex social institution - not a single organization or set of organizations, but a broader, overarching meta-institution that as management scholar Mairi Maclean and colleagues note "varies widely in form and substance.... depending on variations in historical trajectories, legal systems, socioeconomic structures, politics, ideologies and cultural values."<sup>2</sup>

In the complexity and diversity of contexts that Maclean and colleagues note, we might also consider philanthropy not only as a social institution but also more as a tradition. Not a single tradition, mind you, but multiple traditions that are contested, shaped, and sustained across historical, geographical, political, cultural, and religious traditions themselves.

Easy categorization of a concept like philanthropy is impossible as the lines between public and private, local and global, or individual and collective action are blurred and contested. A more capacious understanding requires not idealizing but rather illustrating multiple philanthropic traditions in their contexts. Consciously or often unconsciously these traditions are layered one upon another to reshape our understandings of philanthropy and the nature of giving and receiving.

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<sup>1</sup> Robert L. Payton and Michael P Moody. *Understanding Philanthropy: Its Meaning and Mission* (Bloomington: Indiana University Press, 2008), 28.

<sup>2</sup> Mairi Maclean et al., "Elite Philanthropy in the United States and United Kingdom in the New Age of Inequalities," *International Journal of Management Reviews* 23, no. 3 (2021): 330-52.

At the same time, attending to the philanthropic traditions that we inhabit cannot be done without attention to how we make sense of our lives together. Yes, philanthropy attends to what we do – our actions – but it also must attend again to the why: the ideas and values that shape those actions. This is philanthropy as moral imagination that we work out together in order to make sense of what doing the public good could or should mean.

## What is the Public Good?

And so, before we set out together to take stock of those multiple philanthropic traditions and trajectories across time, and then turn to make sense of our current landscape, perhaps we should take just a moment to reflect on that other concept that I have twinned with philanthropy in this lecture: the public good. Like philanthropy, it may seem easier to define than it really is. Economists have a more straightforward definition of public goods. Technically, public goods are those that are nonexcludable or nonrivalrous. Nonexcludable, meaning that anyone can benefit from the good regardless of whether they contributed to it. And nonrivalrous meaning one person's use does not diminish another's. Think of national defense, city parks, or public libraries. Yet, the problem with public goods from an economic lens, is that it is susceptible to the free rider problem. If I can access the public good without paying for it, why should I? Why buy a ticket, when I could ride for free? To extend the argument, economists explain the third sector more generally as a necessary response to failures for different reasons of both market and government to provide the optimum amount of certain public goods. And so therefore, there is a need for philanthropy and charitable organizations to step in provide necessary resources for the public good.

But again, that draws us into what I see as a limited, sector-focused approach. Like we have already noted, these lines of private and public as well as for-profit, non-profit have always been blurry. And the economic definition of the public good is just one among many. For ages, philosophers, ethicists, religious leaders, politicians, and pragmatic reformers have been debating what is and how best to achieve the public or common good. And frankly, if philanthropy is a tradition that shapes our moral imagination, then this is more the questions and debates where we might be interested. Yet too often the implication when we attend to the public good in this more expansive way, is the assumption that there is some certain, absolute, and ideal good that we can ascribe to and work toward. But in reality, that's not how it works. As sociologist Craig Calhoun argues, the fact is "that the public good is not objectively or externally ascertainable. It is a social and cultural project of the public sphere.... It is created in and through the public process, it does not exist in advance of it." So, the public good is not something that is to be "found," but rather it is something that is to be "forged" through our lives together.<sup>3</sup>

Thinkers from Plato to Thomas Aquinas, Adam Smith to Alexis de Tocqueville have worked to make sense of how our self-interest aligns with the common good. Plato claimed that acting justly would produce happiness. Aquinas agreed that "one's own good cannot exist without the common good." Adam Smith saw that what was good for the individual was good for the *polis* through the work of an invisible hand. Tocqueville saw the success of America's experiment in voluntary association through "self-interest rightly understood."

<sup>4</sup> But as sociologist Craig Calhoun again would go on to say, "our debates about what is good for us are always, in part, debates about whom we want to be."<sup>5</sup> The public or common good is not simply the aggregation of our own individual interests, nor is it an abstract ideal or a fixed standard to meet, rather it is by nature constantly contested and debated. And through attending to those debates – not the debates undertaken by philosophers in ivory towers – but rather in the working out, fighting over, or forging together our conceptions of the public good in the midst of the public sphere – well that's where we want to focus. So, apologies to those of you looking for specific definitions and clearer categories, but I want to argue that the benefit of looking at the public good is in looking at the institutions, instruments, identities, power and practices involved in shaping it. And my argument, following Payton and Moody, is that the traditions of philanthropy can be understood as the "social history of our moral imagination," attending to the ideas and actions that have defined our efforts to make the world a better place through engaging in the lives of others.<sup>6</sup>

<sup>3</sup> Craig Calhoun, "The Public Good as a Social and Cultural Project" in Walter W. Powell and Elisabeth Clemens. *Private Action and the Public Good* (New Haven, CT: Yale University Press, 1998), 26, 32.

<sup>4</sup> Jane Mansbridge, "On the Contested Nature of the Public Good," Walter W. Powell and Elisabeth Clemens. *Private Action and the Public Good* (New Haven, CT: Yale University Press, 1998), 3-19.

<sup>5</sup> Calhoun, 33.

<sup>6</sup> Payton and Moody, 36.

Philanthropic traditions can serve as one lens through which to work out the multiple meanings of the public good in our lives together.

And just one more note before we turn to these philanthropic traditions, perhaps it's worth discussing the work that philanthropy - broadly defined - seeks to do in our society. I have already posited that philanthropy is more a living tradition and fluid set of practices than it is a sector, but for the sake of some boundaries, what is the work that philanthropy is set up to do? I imagine the first role most of us would come up with is service: meeting immediate and long-term needs through sharing resources. These social services have often been the backbone of the charitable sector and an argument for why it must exist alongside government and the market. But a second role is advocacy. Advocating for particular views of the public good has been an important part of how philanthropy has often functioned – think about reform efforts such as abolition, suffrage, basic human rights. Of course, one person's advocacy might be another person's political lobbying. In the U.S. for instance in the wake of the Supreme Court case, *Citizens United*, there are debates on the nature of 501c3s and 501c4s nonprofit organizations and their roles as well as restrictions in financing campaigns and candidates. Third, philanthropy serves a cultural role expressing and preserving what Payton and Moody would name “cherished values, traditions, identities, and other aspects of culture.” Think of the National Trust, Smithsonian, arts, the symphony, and other culture artifacts. Here philanthropy can look quite conservative – literally conserving traditions. Just as we noted with advocacy, the nature of how we tell the stories of past and present have always been up for debate but even more so in the past few years. The cultural role philanthropy plays again demonstrates the contestations around the nature of the public good – its past, present, and future. Fourth, philanthropy also plays a civic role focused on building community and promoting civic engagement. The moral imagination of philanthropy is shaped in the crucible of civil society and the public sphere, but it is also a key constitutive part. Today, with the decline in participation within many of these core institutions, continuing to build spaces for dialogue, community, and building social capital is another key question facing those who see philanthropy with a role to play in bolstering democracy and civic engagement amidst rising isolation and polarization. Fifthly, perhaps philanthropy also plays a vanguard role serving as a site for innovation, experimentation, and invention. If elected officials are beholden to voters and the market is beholden to shareholders, philanthropy may have a different motivation. Perhaps it is best suited to look to the long-term investing in projects that may not make sense to others, but perhaps can envision new ways of meeting needs, addressing our life together, or fighting for a particular vision of the public good. The roles that philanthropy plays in our society has always been more than simply making a gift.<sup>7</sup>

## Multi-Layered Philanthropic Traditions

As University of Kent scholar of philanthropy, Beth Breeze, has noted, “there is no straightforward, objective answer to the question, ‘what is philanthropy?’ rather there are multiple, changing, competing subjective opinions on its role and purpose.” And because of our difficulty in making sense of philanthropy today, it is well worth our time to pay more attention to its history and traditions, which underlines both consistent themes and developments over time “as a result of being embedded in changing political, economic, and social contexts.”<sup>8</sup> Over the next few minutes, let me map a few of these traditions – focused mainly in the West – that have helped to shape our understanding of philanthropy and the public good. And it's worth noting here, that these may be more traditions than historical periods. So as historian Hugh Cunningham has noted, it is not as if one tradition is eliminated with the beginning of another. They often exist together, building upon one another, reshaping one another, and leading to the multiple philanthropic traditions we encounter today.<sup>9</sup>

### Greek and Roman Philanthropy - Patronage

First, as I alluded to when we initially defined philanthropy as the “love of humanity,” ancient Greece and the Romans to follow established one particular tradition of philanthropy. First used in the fifth century BCE Greek tragedy *Prometheus Bound*, Greek god Prometheus gives the gift of fire to humans, and endures the wrath of the gods as a result. And so, first gifts given from gods to humans, philanthropy then came to be seen as the way rulers rightly cared for their subjects. Following from that, philanthropy became the way that wealthy citizens supported the public good while establishing and maintaining a good reputation. Giving was

<sup>7</sup> Payton and Moody, 34-35.

<sup>8</sup> Beth Breeze, *In Defence of Philanthropy* (Newcastle: Agenda Publishing, 2021), 20-22.

<sup>9</sup> I am indebted to historian Hugh Cunningham for first pointing me to the metaphor of a layered history of philanthropy. See Hugh Cunningham, “The Multi-Layered History of Western Philanthropy,” in Tobias Jung, Susan D. Phillips, and Jenny Harrow, eds. *The Routledge Companion to Philanthropy* (Routledge, 2019), 42-55.

patronage to support buildings, armies, or public works. In many ways, it was more about the giver than the gift itself.

Early on, Greek philosopher, Aristotle, would begin to consider the ethics of philanthropy. As a virtue, he attended to finding the middle way debating how best to give “to the right person, in the right amount, at the right time, for the right purpose, and in the right way.” He acknowledged, “that is not something anyone can do, nor is it easy” to find the right path between wastefulness and stinginess.<sup>10</sup>

## Abrahamic Faiths – Justice, Community, Charity

If Greek and Roman patronage was one early model defining philanthropy in the Western tradition, the Abrahamic faith traditions marked another. And while we cannot unpack the rich and varied history of each of these traditions here tonight, we might note several common themes. First, Jews, Christians, and Muslims see God first as generous, and the duty and obligation of humanity is to respond to that generosity through generosity to one another as well.

If Greco-Roman philanthropy was about society, for Jews, generosity was more about community and social solidarity. Community ensured first that all Israelites demand from one another basic levels of well-being, but generosity and hospitality would also extend to those outside the community – the stranger or alien; the widow or orphan. For Jews, *tzedakah* is the religious word for giving, which literally means justice or righteousness, and has the sense of giving to the poor and those with various needs as a moral obligation in a larger effort to repair the world (*tikkun olam*).

In Islam, the root word is similar. *Sadaqah* is a term for voluntary giving in Islam (same root of justice), but there is also *zakat* which is a religious duty, one of the five pillars of Islam whereby all Muslims beyond a basic level of wealth would give 2.5% of their accumulated wealth each year to a particular set of causes most of which are focused on those in poverty or in need of basic resources. Again, these forms of giving have a sense of duty and obligation not just for the wealthy but for all in response to God’s own generosity as well as in order to work for justice, solidarity, and a particular vision of the public good.

Christianity would follow in a similar vein. In the early church, gifts would serve to care for those in the community with need. Those with resources would help those without. In time, Christians would garner the attention of the Romans because they were also keen to help those outside the community as well – again caring for the poor, widow, orphans, strangers. A tradition of charity or almsgiving would grow to define the Christian movement in contrast to the Roman patronage model. Over time, as Christianity would expand to become the established religion throughout the Roman Empire and much of the West, it would help to shape a new understanding of the poor. The status of the poor was transformed actually as special in the eyes of God – while enduring hardships on earth, they were set apart to receive special favor in heaven. In the developing tradition of philanthropy, giving to the poor, not only benefited the recipients, but it was also beneficial to the donor as well. Giving alms to the poor, sick, or hungry was like giving to Christ himself.

## Medieval to Early Modern Philanthropy

These Abrahamic understandings of philanthropy, particularly the Christian conceptions of the poor came to define late antiquity and the Middle Ages. In Christian Europe, parish churches and monasteries were often the institutions that sought to care for the poor, not the state. And with reasons to hold up the poor as models of Christian life, there was not a vision of the public good at that time that sought structurally to eliminate poverty. Yet there were voices that asked questions about traditions of giving and the public good as well as institutional innovations that shaped philanthropy as well.

Just one example of a figure at the time was Rabbi Maimonides, a twelfth century Jewish philosopher in Spain and many would say the brightest mind of his day. He developed what we still refer to as Maimonides’ ladder, eight levels or degrees of giving (*tzedakah*). From donating with reluctance and regret (*begrudgingly*), to donating after being asked, donating before being asked, giving through relationships (someone you know in need), giving anonymously, or moving from a gift to working with someone to become self-sustainable and self-sufficient. Maimonides was not offering a blueprint, but an ethical on-ramp to reflect upon the nature of giving and doing the public good. Maimonides’ ladder is still in use today.

Another innovation that took off at the time in the Muslim world, particularly the Ottoman Empire, was the *waqf*. While Muslims can trace the origin of the *waqf* back to Muhammad himself, it was an innovation in the

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<sup>10</sup> Aristotle, *Nicomachean Ethics*

philanthropy for the public good that took off in importance. In many ways it was the predecessor to an endowment. Individuals or families would set up funds that would provide in perpetuity resources for certain needs. Most often these were for public purpose like supporting mosques, schools, bridges, and drinking fountains.

At the same time as these traditions developed, society was undergoing change. The Reformation was blossoming and understanding of the poor as closer to Christ was less frequently voiced. New models of charity that not only ran through the church but also included the state helped to reshape poor relief. Welfare reform guided by laymen outside the church's purview, even if religious sensibilities still defined it, took off. Society sought solutions for poverty alongside their charitable giving: commitments to earnest work, economic advancement, civilizing efforts, and social control.

## **From Religious Philanthropy to Civil Society (1700s-1800s)**

Again, as medieval models of charity evolved, religion remained, but many would begin to see secular or nonreligious institutions defining the work of benevolence, charity, mutual support, and philanthropy. In fact, these were all included in the broad set of ideas that were taking shape at that time as there were a variety of efforts emerging out of the Enlightenment to define the public good.

One newer feature were associations for mutual benefit. With limited public goods available to most of the population, citizens sought out ways to build civil society on their own. Schools and hospitals developed through mutual support modeled after the for-profit joint-stock company model. You pay in a small amount, pooling resources with others, and you can access health care when you need it or pay for a teacher enabling your kids to attend a school.

The work of mutual aid among everyday citizens came alongside additional efforts by community leaders to embrace benevolence as the beginnings of reform seeking to restructure charity. The goal was a general humanitarian ethic to reshape society, and sometimes that came with strong efforts to supervise those that received charity and requiring particular moral action in order to continue to receive support.

## **Evangelical Reform, Voluntary Associations, and Victorian Philanthropy (1700s-1800s)**

It's worth noting that after late antiquity and really the Greco-Romans, philanthropy was not a term people used. In effect, our efforts to trace this history focused on philanthropy is a bit anachronistic. Of course, we are pointing to the same types of action and effort toward promoting the public good even if the word was not the focus. That changed with the Enlightenment as the word reemerged in English and with the French, but strikingly, it is used less for giving money and rather more as a focus on reform. The first person in England to be labeled as a philanthropist was John Howard in the 1780s, who toured prisons throughout Britain and Europe seeking reform. Similarly, someone like William Wilberforce campaigning to end the slave trade in the 1830s would be seen as a reformer and a philanthropist as well. Howard and Wilberforce were examples of how charity, philanthropy, and reform had moved outside the realm of the church, but yet it often remained tied to a particular religious vision. And that vision was increasingly an evangelical Christianity.

That evangelistic fervor sought converts but also action to reform society. This evangelical fervor was defined across a transatlantic network. The U.S. and Britain would exchange ideas, practices and people. They would bolster one another to greater action and perhaps compete for market share and mission.

The U.S. was often defined by its sheer numbers of voluntary associations. This was noted most famously by French sociologist and political theorist Alexis de Tocqueville, whose journeys through America and his writings in the 1830s made the argument that the voluntary association in a democracy was the training ground for political and civic life. It was the social capital that developed from these associations that Tocqueville found most interesting. And he makes the point, as we noted earlier that one of the roles of philanthropy is not only giving money or resources but also to foster civic engagement. Now, many of these American associations were religious and worked for reform on issues like education and health as well as providing basic social services. But they also made sure to democratize notions of philanthropy as the work of the masses and the larger citizenry; not just elites.

Through these transatlantic networks, philanthropy also begin to take on a global perspective. In the thick of the colonial age, Christian missions from many lands, but particularly, the U.S. and U.K. sought to take Christianity, commerce, and civilization with them. Funds raised for this work were astronomical, and the questions that began to be raised were whether charity overseas was taking away from meeting local needs

at home. This was the critique of a critic like Charles Dickens. The critiques remain today. If we look to international relief and development today, such a question continues to define debates in philanthropy and humanitarianism.

## **From Victorian Philanthropy to the Welfare State (1800s – early 1900s)**

By the 1800s, philanthropy came to be seen as a badge of honor, part of the national identity of Britain in the Victorian age. A similar notion may have come to define America too after the Civil War in the latter half of the 19<sup>th</sup> century. The focus at the time in working for the public good was fighting the ills brought on by industrialization, immigration, and urbanization. The overflooded city led to all sorts of social issues. And the reputation of Victorian philanthropy was that it had the means and know-how to address these issues. There were numerous benefactors and efforts to meet the challenges of the day, but many critics emerged to oppose what looked like new efforts of social control in making judgments about who were the deserving or undeserving poor. At the same time, traditional forms of philanthropy began to see that the needs were greater than the resources they had at their disposal. They came to see that these issues were structural in nature. Society could not change without changes to political economies such as the need to consider wages and working conditions.

Some benefactors sought to marry their approach of philanthropy and business. English Quakers and chocolatiers like George Cadbury or Joseph Rowntree sought to create model villages for their employees with housing, health care, education, and pensions. While sometimes accused as paternalistic to a certain degree, Cadbury and Rowntree knew their religious convictions led them to better working and living conditions for their employees. They also knew it was good business. Again, examples of what it means to be a socially responsible business is a question that we are asking today.

By the end of the Great War in 1918, the impulses of Victorian philanthropy had been overtaken by calls for what would become in Britain, the welfare state. As already noted, the boundaries around these three sectors (philanthropy, business, and government) were often blurred, but into the early twentieth century, the state became the voice to take center stage in an effort to care for its citizens from cradle to grave. Philanthropy, of course, continued but it served more to fill gaps than to lead the way in shaping the public good.

## **The Mix of Elite and Mass Philanthropy (20<sup>th</sup> Century)**

The story wasn't exactly the same in the U.S. Gilded Age titans like Carnegie and Rockefeller made huge fortunes, often on the backs of their employees and ruthless business practices, but then they became philanthropists. Carnegie's famous "Gospel of Wealth" essay helped to define what kind of philanthropist he sought to be, responsibly and dutifully working to administer the return of much of the wealth he had garnered during his own lifetime. A new age of major philanthropy came to the U.S. That philanthropy came to be defined by a new entity, the charitable foundation. In many ways, it was an economic vehicle to preserve wealth and keep it out of the U.S. treasury, but the sheer magnitude of the leading foundations - Carnegie, Rockefeller, and Ford Foundations most notably - would have a significant role in shaping the public good through their approaches to giving and the topics that they prioritized. Many others from government diplomats, academic researchers, and other philanthropies followed suit.

While President Franklin D. Roosevelt's New Deal and Lyndon B. Johnson's Great Society were both attempts at expanding the size and reach of the federal government, the U.S. never really followed Britain's lead in transitioning to a welfare state. As result, America also remained more dependent on the charitable sector for providing social services and shaping the public good. Across the charitable sector, nonprofits organizations and philanthropic foundations professionalized as social workers, public health practitioners, and program grant officers developed their own specializations and expertise. For the first time, perhaps, philanthropy and charity could perhaps be defined as its own sector. Of course, the charitable sector and civil society wasn't always dependent on elite philanthropy, its biggest donors. There were many trends toward local giving and mass philanthropy with Americans giving to fight tuberculosis or fight world wars, to support their local United Ways and Jewish federations, and are to fund their local congregations and PTAs. As historian Oliver Zunz frames in his history of philanthropy, the twentieth century story of is really this dual trajectory of major and mass philanthropy.

## **Re-emergence of Big Philanthropy and Strategic Giving**

In the twenty-first century, we continue to see this mix of major and mass philanthropy in new ways. For most of those looking to make sense of philanthropy in recent decades, the story has been the rapid rise of new philanthropists. Taking a cue from Carnegie's "Gospel of Wealth," the likes of Bill Gates, Melinda French

Gates, and Warren Buffet established the Giving Pledge encouraging the mega-rich to give away the greatest portion of their wealth during their lifetimes. At present there are over 230 signatories from 28 countries.

If one theme is “giving while living,” another has been the turn toward strategic philanthropy. Thinking of the role philanthropy plays, the focus has lately been on impact, evidence, and measurable change. For instance, the Gates Foundation may seek to eradicate a specific disease. As the effective altruist movement has caught on, philanthropists are seeking the most bang for their buck. At the same time, other donors particularly those who perhaps made their fortunes in finance or technology, are seeking to blur the lines between traditional philanthropy and business; impact investing or venture philanthropy. For instance, when Priscilla Chan and Mark Zuckerberg signed the Giving Pledge, they established their Chan Zuckerberg Initiative as an LLC, an instrument that allows for a return on their philanthropic capital. When we are defining philanthropy and the public good, these new forms are pushing us to ask what is the nature of a gift?

## Current Landscape of Giving

If through our journey along the multi-layered philanthropic traditions of the past has now brought us up to the present, what do we make of the current landscape of giving? It’s definitely worth noting that even as our attention more and more focuses on the largest donors and foundations, the vast majority of giving still comes from average individuals.

Giving USA, researched and written by my colleagues at the Indiana University Lilly Family School of Philanthropy, tracks annual giving trends in the United States. Giving may come from institutions like foundations or corporations, but 69% comes from individuals. And while some very wealthy individual donors may make major gifts, the bulk of those funds again are from average donors. In 2020 individuals gave over \$324 billion U.S. dollars.<sup>11</sup> The Gates Foundation has given away \$60 billion over its 20+ years in existence.

Where do these gifts go? To a variety of sectors with religion leading the way in the U.S. Similar studies in the U.K. point to health, medical research, and animal welfare at the top of the list.

## Concern

What do these trends mean? There appears to a bit of a mixed message, but many find the trends a cause for concern. First, charitable giving overall continues to grow, and that’s the good news. The bad news, is that there seems to be a downward trend in the number of those giving and volunteering. In the States, while overall dollar amounts of charitable giving continue to grow, the percentage of households giving at all continues to shrink. The headline last year was for the first time, less than half of American households gave something/anything to charity. 66% of households gave in 2000. 49% this past year. That’s a decline of 17% percent in less than two decades. Overall giving grew - but only as fewer donors were giving more.<sup>12</sup>

The same trends are basically true in the UK with participation of households in giving falling from 32% in 2000 to 26% in the last few years. On top of that, in the UK, among top earners, average donations to charity actually declined. Again, civil society is increasingly dependent on a smaller number of donors.<sup>13</sup>

And many see that as a problem, not only as a concern of limited or fewer resources, but also as a diminishing of civil society. With our ongoing fears of rising polarization and isolation, could increases in giving, volunteering, and advocacy be key for a sense of social connectedness, citizen engagement, and a healthy democracy? This is a larger example of how issues of philanthropy are tied to ongoing conversations about the nature of the public good and our lives together.

<sup>11</sup> *Giving USA: The Annual Report of Philanthropy for the Year 2021*. Chicago, IL: Giving USA Foundation.

<sup>12</sup> Indiana University Lilly Family School of Philanthropy, “The Giving Environment: Understanding Pre-Pandemic Trends in Charitable Giving: Data on Declining US Donor Participation,” July 2021, <https://scholarworks.iupui.edu/bitstream/handle/1805/26290/giving-environment210727.pdf>;

<sup>13</sup> Law Family Commission on Civil Society. “Mind the Giving Gap - Unleashing the Potential of UK Philanthropy,” Dec. 2021, <https://civilsocietycommission.org/publication/mind-the-giving-gap-unleashing-the-potential-of-uk-philanthropy>



## Criticism

If this moment can be defined by concern, it may also be shaped by criticism – of philanthropy. The criticism most often seeks to address issues of power, purpose, or practice.

First power. This is nothing new for philanthropy. It's been the case throughout its history. With the first Gilded Age philanthropists like Scotsman Andrew Carnegie or John D. Rockefeller, there were ethical criticisms of how fortunes were made as well as the widening gap between rich and poor. As wealth inequality has skyrocketed increasingly again in recent years, and as a new generation of major philanthropists have emerged to give in a variety of ways, criticism has followed to ask if philanthropists have too much power and privilege to shape public policy, our institutions, and civil society outside of the democratic process?

And if power may always creep to the top, the second criticism may be one of purpose. Can we or should we define the purpose of philanthropy? Do museums, galleries, universities need more funds when there are people in need of a meal, shelter, and basic justice? This is a question of what does the public good? Is it a local, national, global issue? How do we best seek the welfare of those in our midst and beyond?

Then there are critical reflections on how philanthropy is practiced. Our recent context of the pandemic is great example. If there was and is such a need for large-scale immediate support, what is the role of the perpetual foundation; how do grant-makers seek to work with nonprofits and grassroots agencies? How do donors work with charities, government, and business to do this work well?

## Creativity

Finally, if this moment has been marked by concern and a good deal of criticism and critical reflection, it is also being marked by creativity. In thinking critically about practice – we can also return to the age-old question of what counts as philanthropy? Is there really a decline in the number of individuals and households giving or are we participating in philanthropy in new or different ways. Many of these forms of giving may be informal – or at least not formally counted- if they are not making a donation to a registered 501c3 nonprofit or charitable organization.

For instance, what about mutual aid? We have pointed to earlier philanthropic traditions of mutual aid, but we have seen a significant uptick in these practices in recent years whether simply helping one another in community or crowd-funding via Kickstarter or GoFundMe to relieve medical debt, support a friend in need, or help someone start a business or make an album. Little to none of this registers as “formal philanthropy.”

Then what about giving circles, where individuals in the same location or with a shared identity come together to pool resources and with their own agency decide together where to invest their giving. Giving funds of local black women, LGBTQ youth, or indigenous Americans are making their voices heard in making their own gifts and grants to those needs that they most care about.

What about new digital platforms, branding, and movements to bolster global giving? If we have Black Friday and Cyber Monday, in the U.S., the Tuesday after Thanksgiving is now known as #GivingTuesday. It is touted as a “global generosity movement unleashing the power of people and organizations to transform their communities and the world.” It's a viral campaign, not owned by any particular organization but offered to all nonprofits to encourage everyday givers to make a commitment to causes they care about. The movement helped to raise over \$2 billion US dollars in 2021.<sup>14</sup>

Finally, this spirit of creativity has also shaped new forms of philanthropy - often blurring traditional divides – between sectors (government, business, charity) as well as through impact investment, consumer decisions based on the values of the businesses they support, and efforts toward giving to new grassroots movements and networks. Giving financially or lending one's voice through advocacy and action makes the point that we are continuing to critically “open-up” our ideas on how we can reimagine philanthropy in order to set a bigger table for a broader conversation. This bigger table often brings together people across a broad political, religious, or cultural landscape, and enables the forming of new partnerships in seeking human flourishing and the public good.

And that seems to me to be formational – focusing individuals and communities not only to move money but also to meet needs and foster greater generosity in caring for one another. What is the purpose of philanthropy? Why are we motivated to give? How does philanthropy do the public good? In my mind,

<sup>14</sup> <https://www.givingtuesday.org/about/>

those are the right questions for us to engage. In making sense of the philanthropic traditions from which we operate, we are set up to dialogue and debate with one another how philanthropy as a part of our moral imagination works to shape how we envision the public good.

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